

SECRET

(When Filled In)

FILE INFO

DEC 77288448

REPRODUCTION PROHIBITED

ACTION	1	DSA	6	RB	11		16
	2	BFD	7		12		17
	3	DM	8		13		18
	4	DUPS	9		14		19
	5	CMD	10		15		20

SECRET 072305Z DEC 72 CITE [] 1335

ATTN: GEN BEVAN

SUBJ: UTILIZATION OF OTTER ACFT

REF [] 125

1. THE RATIONALE FOR INCREASING HOURLY CHARGES TO TENANTS AS EXPRESSED IN PARA 1.D. OF REFERENCE IS A SOUND ONE, AND WILL OF COURSE BE INSTITUTED IF THAT IS HQTRS DIRECTION. HOWEVER, AS INDICATED IN 1 DECEMBER TELECON WITH [] IT IS FELT THERE MAY BE SIGNIFICANT MERIT TO RETAINING OUR EXISTING FEE WHICH COVERS ACTUAL ADDITIONAL COST OF HOURS FLOWN OVER AND ABOVE BASE SHUTTLE REQUIREMENTS. REASONING IS RELATED IN PART TO OLD SAW THAT YOU CAN SOMETIMES MAKE MORE HEADWAY WITH SUGAR INSTEAD OF SALT. WHILE REALLY NOT A LARGE MATTER EITHER WAY, IT IS BELIEVED THAT GLIB IS PAYING A REASONABLE SUM FOR GENERAL BASE SERVICES RENDERED, AND IT MIGHT REAP US SOME BENEFITS DOWN THE LINE IF WE DO NOT TRY TO SQUEEZE THE LAST DOLLAR OUT OF THEM AT EVERY OPPORUTUNITY. A CERTAIN BASIC AMOUNT MUST BE PAID TO PROVIDE OUR SHUTTLE CAPABILITY, AND IT COULD BE ARGUED THAT THE FEE FOR ADDITIONAL HOURS SHOULD NOT NECESSARILY INCLUDE ALL OF THOSE BASIC COSTS. ALSO IT MAY BE THAT

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GLIB WILL FEEL 175 DOLLARS PER HOUR IS MORE THAN THEY WOULD WANT TO PAY EXCEPT IN EMERGENCY SITUATIONS. THUS WE COULD BE DENYING THEM A DEGREE OF FLEXIBILITY AND/OR CONVENIENCE, AND OURSELVES THE OPPORTUNITY TO ENHANCE OUR PILOT'S SKILLS.

2. WOULD APPRECIATE YOUR CONSIDERATION OF THE ABOVE POINT OF VIEW.

3. AS MENTIONED TO YOU IN OUR 7 DEC TELECON, POLICIES OUTLINED IN PARAS 1.A, B AND C OF REFERENCE HAV BEEN IN EFFECT HERE SINCE ACQUISITION OF TWIN OTTER.

E-2 IMPDET

S E C R E T

BT